48. *Quilon Electric Supply.*—The capital outlay on this undertaking at the end of 1113 is anticipated to amount to Rs 2·96 lakhs. The expected net receipts at the close of the year will be barely sufficient to meet the interest and depreciation charges.

The Depreciation and Reserve Funds opened in respect of the above undertakings are expected to amount to Rs 4·59 and Rs 1·32 lakhs respectively.

49. *Trunk Telephone Scheme.*— No work in connection with the scheme has been carried out during the current year. As the whole question is still under consideration between this Government and the Government of India, it is expected that the scheme will be taken up early next year when a satisfactory agreement between the two Governments is also expected to be reached. A provision of Rupees half a lakh has been made for the scheme during 1113.

50. *Broadcasting Scheme.*—Government have under consideration the installation of a broadcasting station for serving the whole State including rural areas and a provision of Rs 1·50 lakhs has been made in the next year's budget. Although not expected to be fully remunerative, the scheme is expected to pay a portion of the working expenses. Details have, however, not been worked out.

51. *Clay Refining and Porcelain Factory.*—The work relating to this scheme was started during the year. An expenditure of Rs 1·57 lakhs to the end of the year is expected to be incurred. The scheme consists of:—

(i) The refining and exporting of china clay which is largely used in the textile mill areas.

(ii) Utilising the second quality of clay for the manufacture of porcelain goods, such as high and low tension insulators, drainage pipes, sanitary wares and stone wares as pickle jars, etc.

The factory will be located at Kundara in view of the proximity of raw materials, cheapness of labour and transport facilities available in that place. For refining china clay, a washing plant is already under construction. All the machinery for the purpose have already arrived and it is hoped that the construction of the washing plant will be finished by the end of this year. The construction of the main factory buildings has been entrusted to the P. W. D. A provision of Rs 2·25 lakhs has been made in the budget estimates for next year. The

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[Rao Bahadur A. Rengaswamy Aiyar.]

Ceramic Expert expects that the scheme will bring in at least a net profit of 15 per cent. As a matter of fact, there are several offers to purchase the total output of refined china clay.

52. *Commercial Transport.*—As indicated in the Dewan's address to the Joint Session of the Assembly and Council already referred to, Government have decided to take over themselves the running of the bus traffic between Trivandrum and Cape Comorin as preliminary to a more general scheme. It is proposed to buy 50 buses fitted with Diesel Engines and 10 lorries for the present and to entrust the management to an Expert who will be engaged for a term. All his superior and subordinate staff will be recruited in Travancore. The chassis will be obtained in Europe and the bodies, with the exception of a few samples, will be built here of local timber. A return of at least 7½ per cent, is expected from this concern. A lump sum provision of Rs 5 lakhs has been made under Capital for this purpose.

As this proposal is based on the analogy of the system now in force in Hyderabad, it may interest the Legislature to have an idea of the results of the working of this system in that State. The Government Bus Service was started in Hyderabad with 27 buses operating over 284 route miles in June 1932 and by the end of March 1937 it is expected to operate 4,000 route miles with 367 vehicles. I append below a statement showing the capital outlay and the financial results for the years 1933 to 1937 :—

Year ended.	No. of buses.	Capital outlay.	Route miles.	Net return on capital.
		Lakhs.		per cent.
March 1933 ...	27	4·19	284	8·56
March 1934 ...	50	7·47	595	10·00
March 1935 ...	89	15·63	1232	10·00
March 1936 ...	122	22·51	1354	10·70
March 1937 ...	367	50·00	4000	10·00

It will be seen from the above statement that within 9 months of its commencement, a return of 8·56 per cent was obtained and during the next and succeeding years, the service yielded a net return of not less than 10 per cent.

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